

Congress of the United States
Washington, DC 20515

October 16, 2009

Dear Speaker Pelosi:

We are writing today to express our strong opposition to the \$40 billion tax on the medical device industry proposed by the Senate Finance Committee in its approach to healthcare reform. We all support reform that increases coverage, improves quality, decreases costs and improves efficiency. We urge you to not include it because such a tax would have a devastating impact on our state. It would jeopardize both scientific innovation and job growth, and its readily foreseeable consequences lead to a long-term increase in cost and decline in quality of health care as it chills the development of new lifesaving technologies.

The United States is and must remain the worldwide leader in the development of medical technology. Massachusetts has the second largest medical device presence in our country, with more than 225 companies. The industry employs 22,000 people directly and another 30,000 workers indirectly. Moreover, it accounts for annual sales of more than \$8 billion in the Commonwealth and billions of dollars-worth of exports.

This \$4 billion annual tax is equivalent to approximately half of the amount device industry companies invested in research and development in 2007, and it exceeds the total venture capital investment in the industry for the same year. Research and development, as you well know, are the cornerstones of this dynamic industry and the tax proposed by the Senate Finance Committee could destroy its ability to invest in cutting edge therapies. More urgently, it would force companies to cut the kinds of important scientific and engineering jobs that we should be encouraging.

We urge you to ensure that this monumental threat to jobs and innovation does not appear in any health care reform proposal considered by the House.

Sincerely,


Michael E. Capuano
Member of Congress


Edward J. Markey
Member of Congress


Barney Frank
Member of Congress

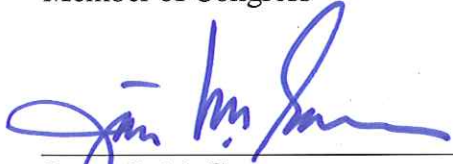

Richard E. Neal
Member of Congress




John W. Olver
Member of Congress



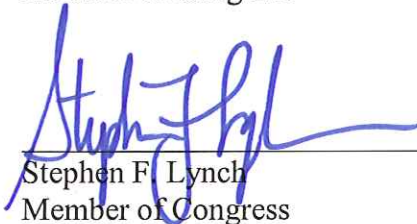
William D. Delahunt
Member of Congress



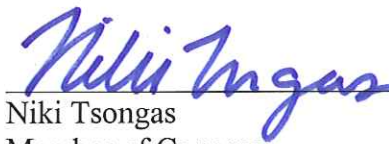
James P. McGovern
Member of Congress



John F. Tierney
Member of Congress



Stephen F. Lynch
Member of Congress



Niki Tsongas
Member of Congress

Cc: The Honorable Steny Hoyer, Majority Leader
The Honorable Jim Clyburn, Majority Whip
The Honorable John Larson, Caucus Chair
The Honorable John Kerry, United States Senator
The Honorable Paul Kirk, United States Senator